

## GROWTH OF GERMAN INFLUENCE

The construction of many public buildings necessitated the development of a cement industry. In 1936 the Iranian government gave a contract to a German firm to reconstruct the only existing factory. In 1937 its capacity reached the figure of three hundred tons daily.

German firms constructed and supplied machinery for textile factories in Isfahan and Kerman, a paper factory in Isfahan, packing and drying establishments for tea in various parts of Iran, and the only ice factory in the country.

In the field of electrical motors and light installations the famous Siemens Company enjoyed supremacy on the Iranian market, and Ernst Leitz of Vetzlar (the world-famous producer of Leica cameras) attempted to monopolize trade in microscopes and other equipment with hospital and industrial laboratories.

The armament industry also owed its development to German technical assistance. A machine-gun factory in Teheran and an airplane factory at Shahbas were established. According to the *Orient Nachrichten?* the airplane factory was capable of producing a squadron of smaller fighter planes every two months. They were convertible into light bombers. German-Iranian co-operation in the armament industry was only beginning before the second World War. It was interrupted in 1941.

The description of German industrial expansion in Iran would be incomplete without mentioning the role played by Czechoslovak industry, and especially by the great Skoda works. The dismemberment and absorption of the Czechoslovak state by Germany in 1938-1939 made the Skoda, for all practical purposes, a German factory. Skoda introduced itself to the Iranian market in

1933 and in the following years its activity increased. Its achievements included the construction of numerous bridges, roads, and buildings; the regulation of rivers; and the construction of various industrial plants.

With regard to trade between the two countries solid foundations were laid during the Weimar period and continued throughout the Nazi era. In 1928 Germany and Iran concluded a trade treaty that contained a most-favored nation clause. It was followed in 1929 by a

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